

YAMATO GROUP

CONSOLIDATED FINANCIAL SUMMARY

**for the Third Quarter of the Fiscal Year Ending
March 31, 2020**



YAMATO HOLDINGS CO., LTD.

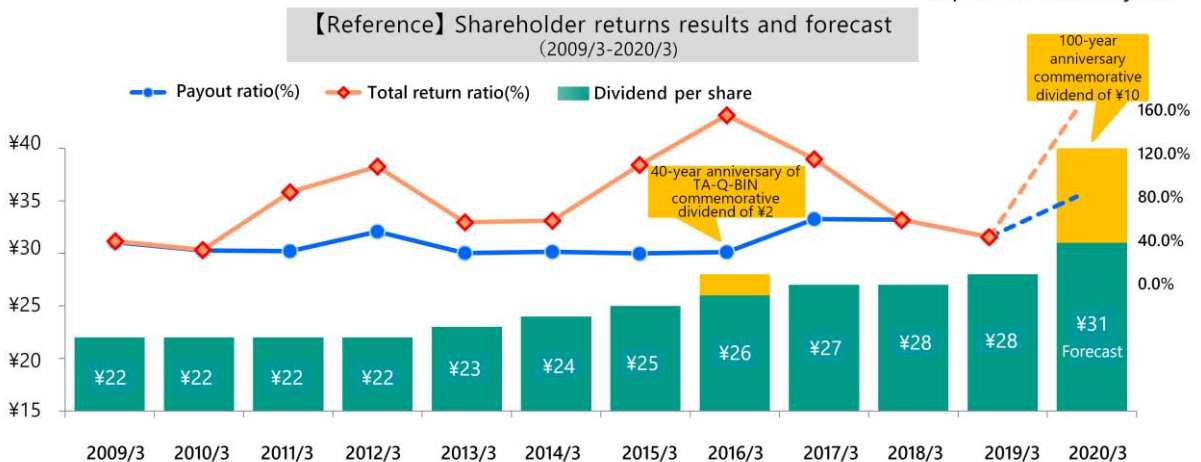
January 31, 2020

2. Financial Results for the Third Quarter 2020/3 - Cumulative (Overview)

5) Shareholder returns (Announced January 30)

- Dividends to commemorate 100-year anniversary (¥10 per share)
⇒ Dividends totaling ¥41 per year, including ordinary dividends
- Share repurchase and cancellation of the share with a view to improving capital efficiency

(Up to 50 billion yen)



6) The company and Fuyo General Lease Co.,Ltd. become joint venture for YAMATO LEASE CO.,LTD. (Announced January 30) .

1. Dividends to commemorate 100-year anniversary

November 29, 2019 marked the 100-year anniversary of the company's founding. A commemorative dividend will be paid to express our gratitude to our shareholders for their support.

2. Share repurchase and cancellation

- Considering stable dividends and flexible shareholder returns through timely and appropriate capital policies based on a policy of focusing more on capital efficiency than ever before
- Implementing ¥50 billion of share repurchase and cancellation based on the policy

3. Joint venture for YAMATO LEASE CO.,LTD.

Aim for further business growth and raising corporate value through collaboration with partners

3. Financial Results for the Third Quarter 2020/3 - Cumulative (Overview)

(Billions of Yen)	Third Quarter 2019/3 Actual	Third Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
Operating revenue				
Delivery	1,006.7	1,016.5	+9.7	+1.0
Non-Delivery	250.8	241.1	(9.6)	(3.9)
Total	1,257.6	1,257.7	+0.1	+0.0
Operating profit	74.3	50.0	(24.2)	(32.6)
[Profit margin]	5.9%	4.0%	-	-
Ordinary profit	73.6	46.8	(26.8)	(36.4)
[Profit margin]	5.9%	3.7%	-	-
Profit attributable to owners of the Parent	43.1	31.4	(11.7)	(27.3)
[Profit margin]	3.4%	2.5%	-	-

1. Operating revenue: ¥1,257.7 billion (YoY increase by ¥0.1 billion)

1) Delivery Business

Revenue increased due to adequate pricing initiatives, etc.

2) Non-delivery Business

Revenue decreased largely due to reactionary decline from the previous one-off businesses, delays in acquiring new projects and discontinuing of moving-related services.

2. Operating profit: ¥50.0 billion (YoY decrease by ¥24.2 billion)

Operating profit decreased as operating revenue increase was insufficient to absorb higher operating expenses.

3. Non-operating loss: ¥3.2 billion (YoY increase by ¥2.5 billion)

1) Non-operating income: ¥1.8 billion (YoY decrease by ¥0.0billion)

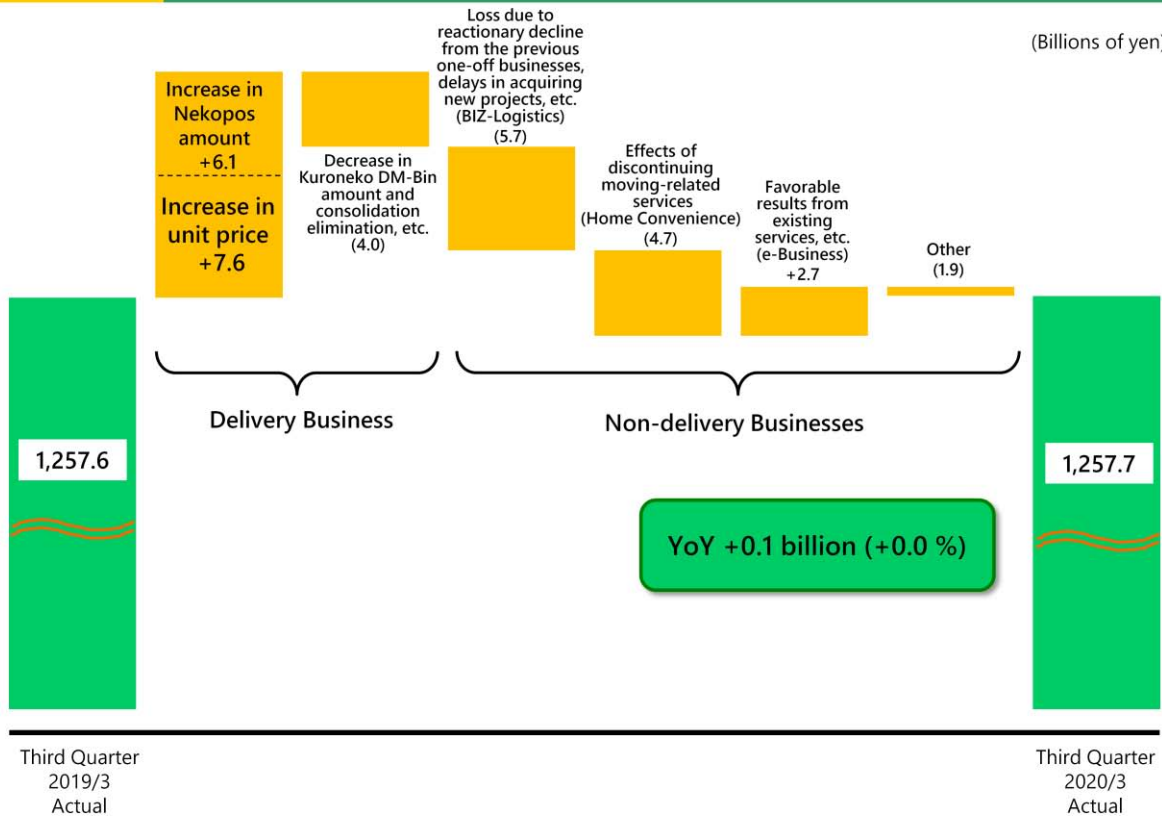
2) Non-operating expenses: ¥5.0 billion (YoY increase by ¥2.5 billion)

Share of loss of entities accounted for using equity method:

¥3.8 billion (YoY increase by ¥2.3 billion)

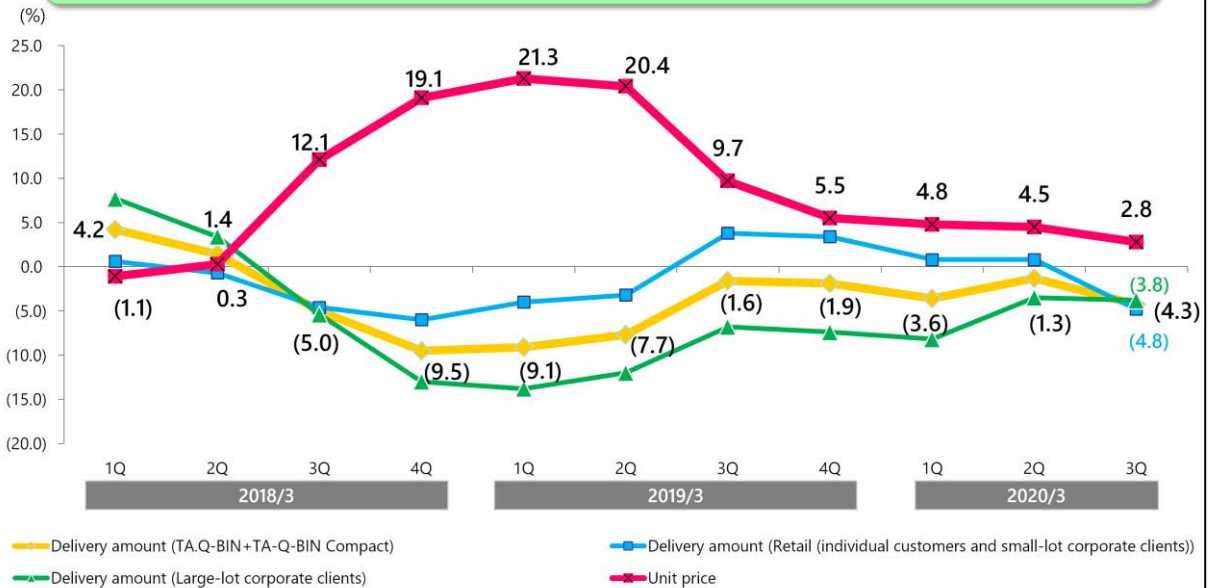
4. YoY Analysis of Consolidated Operating Revenue (Third Quarter - Cumulative)

(Billions of yen)



5. Quarterly YoY Trends of TA-Q-BIN Delivery Amount (excl. Nekopos) (Third Quarter)

- Delivery amount was lower than in the previous fiscal year. (YoY (4.3)%)
- Unit price increased. (YoY +2.8%)



Unit price trend by market (Third quarter 2020/3)

Retail (individual customers and small-lot corporate clients) +3.1%

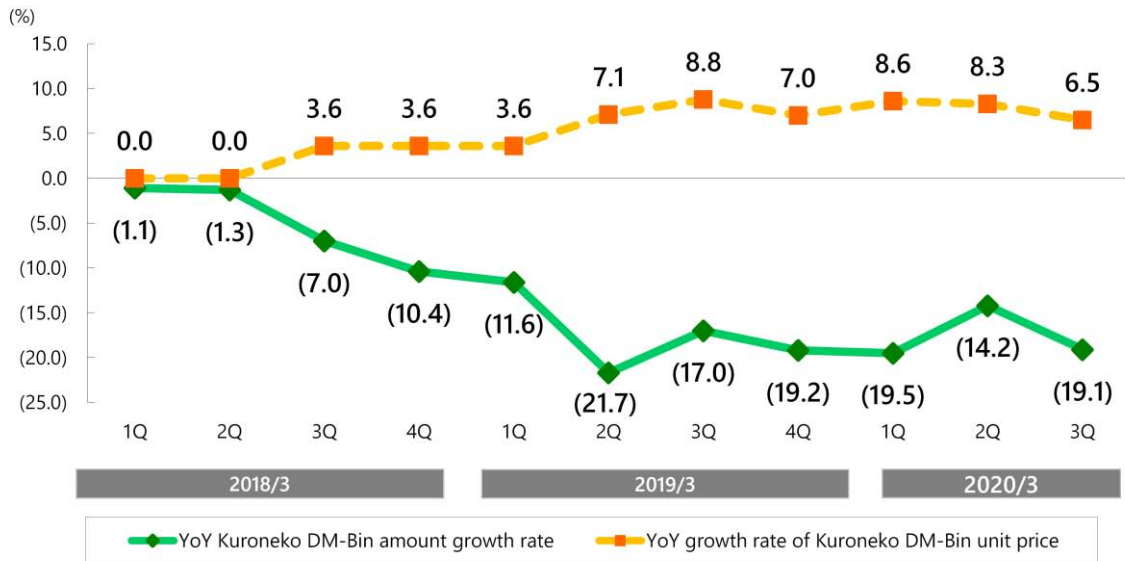
Large-lot corporate clients +2.7%

Widening the decrease of TA-Q-BIN delivery amount from the previous year in the third quarter (October-December) : (4.3)%

- Struggling due to the impact of natural disasters such as typhoons, sluggish personal consumption after the consumption tax hike, a decline in the delivery amount handled by large corporate clients, and a decline in B2B cargo shipments due to the uncertain international situation.

6. Quarterly YoY Trends of Kuroneko DM-Bin (Third Quarter)

- Delivery amount was lower than in the previous fiscal year. (YoY (19.1)%)
- Unit price increased. (YoY +6.5%)



Shipment amount by market (Third quarter 2020/3)

From TA-Q-BIN Centers: (14.6)%
From corporate sales branch offices: (20.8)%

Shipment unit price by market (Third quarter 2020/3)

From TA-Q-BIN Centers: +7.5%
From corporate sales branch offices: +6.4%

7. Consolidated Operating Expenses (Quarterly)

(Millions of Yen)	First Quarter			Second Quarter			Third Quarter		
	2020/3 Actual	YoY Change		2020/3 Actual	YoY Change		2020/3 Actual	YoY Change	
		Amount	[%]		Amount	[%]		Amount	[%]
Operating revenue	381,726	+1,036	+0.3	418,399	+9,958	+2.4	457,597	(10,881)	(2.3)
Operating expenses	387,827	+16,715	+4.5	406,084	+11,500	+2.9	413,734	(3,836)	(0.9)
Personnel expenses	207,581	+10,854	+5.5	218,164	+9,174	+4.4	219,393	+4,535	+2.1
Employee salary	142,450	+6,598	+4.9	148,152	+6,931	+4.9	154,346	+8,162	+5.6
Other personnel expenses	65,131	+4,255	+7.0	70,012	+2,243	+3.3	65,047	(3,627)	(5.3)
Subcontracting expenses	147,740	(4,831)	(3.2)	152,927	(3,840)	(2.4)	160,469	(12,509)	(7.2)
Commission expenses	57,562	(5,358)	(8.5)	60,072	(3,870)	(6.1)	63,062	(7,735)	(10.9)
Vehicle hiring expenses	49,847	+2,116	+4.4	51,238	+1,639	+3.3	54,127	(414)	(0.8)
Other subcontracting expenses	40,330	(1,589)	(3.8)	41,616	(1,609)	(3.7)	43,280	(4,359)	(9.2)
Vehicle expenses	11,961	+612	+5.4	12,550	+35	+0.3	12,889	(132)	(1.0)
Fuel expenses	5,777	+173	+3.1	6,426	(343)	(5.1)	6,006	(459)	(7.1)
Other operating expenses	85,755	+6,184	+7.8	90,406	+6,544	+7.8	95,472	+5,005	+5.5
Depreciation	12,265	+1,564	+14.6	13,262	+1,453	+12.3	14,156	+557	+4.1
Elimination	(65,212)	+3,896	-	(67,964)	(413)	-	(74,490)	(735)	-
Operating profits	(6,100)	(15,679)	-	12,314	(1,541)	(11.1)	43,863	(7,044)	(13.8)

* Figures are on a quarterly basis.

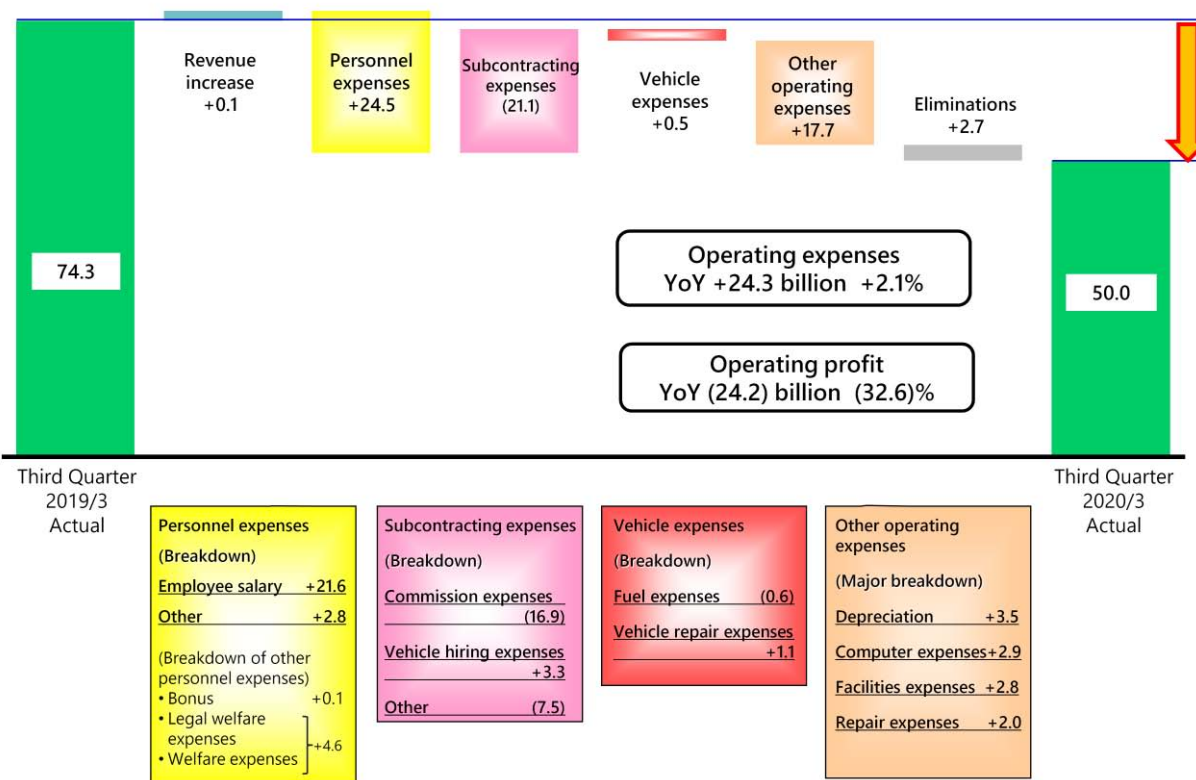
- The results of our cost control efforts are beginning to bear fruit amid lowering delivery amount of TA-Q-BIN since the 4th quarter of the fiscal year ended March 2019.
- Slowing growth in operating expenses resulted in a year-on-year decline in the third quarter of the fiscal year ended March 2020.

9 . Summary of Consolidated Operating Expenses (Third Quarter – October to December)

(Millions of Yen)	Third Quarter 2019/3 Actual	Third Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	468,478
Operating expenses	417,571	413,734	(3,836)	(0.9)
Personnel expenses	214,858	219,393	+4,535	+2.1
Employee salary	146,183	154,346	+8,162	+5.6
Other personnel expenses	68,675	65,047	(3,627)	(5.3)
Subcontracting expenses	172,979	160,469	(12,509)	(7.2)
Commission expenses	70,798	63,062	(7,735)	(10.9)
Vehicle hiring expenses	54,541	54,127	(414)	(0.8)
Other subcontracting expenses	47,639	43,280	(4,359)	(9.2)
Vehicle expenses	13,021	12,889	(132)	(1.0)
Fuel expenses	6,466	6,006	(459)	(7.1)
Other operating expenses	90,466	95,472	+5,005	+5.5
Depreciation	13,598	14,156	+557	+4.1
Elimination	(73,755)	(74,490)	(735)	-
Operating profits	50,907	43,863	(7,044)	(13.8)

10. YoY Analysis of Consolidated Operating Expenses (Third Quarter - Cumulative)

(Billions of yen)



1. Personnel expenses +¥24.5billion +4.0%
 Mainly as a result of having increased the workforce to build collection and delivery structure
 - 1) Employee salary +¥21.6 billion +5.1%
 - 2) Bonus +¥ 0.1billion +0.1%
 - 3) Welfare expenses and legal welfare expenses +¥4.6 billion +5.4%

2. Subcontracting expenses ¥(21.1) billion (4.4)%
 - 1) Commission expenses ¥(16.9) billion (8.6)%
 Curtailing of expenses for delivery outsourcing
 - 2) Vehicle hiring expenses +¥ 3.3 billion +2.2%:higher per-vehicle hiring rates
 - 3) Other subcontracting expenses ¥(7.5) billion (5.7)%

3. Vehicle expenses +¥ 0.5 billion +1.4%
 - 2) Fuel expenses ¥ (0.6) billion (3.3)%: Due to a lower unit price of fuel
 - 3) Vehicle repair expenses +¥ 1.1 billion +6.3%

4. Other operating expenses +¥17.7 billion +7.0%
 - 1) Depreciation +¥ 3.5 billion +9.9%
 Mainly vehicles, machinery and equipment, and buildings
 - 2) Computer expenses +¥ 2.9 billion +10.4%
 Expenses related to Eighth NEKO System, etc.
 - 3) Facilities expenses +¥ 2.8 billion +5.4% : Vehicle leasing, Parcel locker, etc.
 - 4) Repair expenses +¥ 2.0 billion +18.9%
 Improving working environments to promote "Work Style Reform," etc.

11. Summary of Consolidated Operating Expenses (Third Quarter - Cumulative)

(Millions of Yen)	Third Quarter 2019/3 Actual	Third Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
			Operating revenues	1,257,610
Operating expenses	1,183,267	1,207,647	+ 24,379	+ 2.1
Personnel expenses	620,576	645,140	+ 24,564	+ 4.0
Employee salary	423,255	444,948	+ 21,693	+ 5.1
Other personnel expenses	197,320	200,192	+ 2,871	+ 1.5
Subcontracting expenses	482,319	461,138	(21,181)	(4.4)
Commission expenses	197,661	180,697	(16,964)	(8.6)
Vehicle hiring expenses	151,872	155,213	+ 3,341	+ 2.2
Other subcontracting expenses	132,785	125,226	(7,558)	(5.7)
Vehicle expenses	36,885	37,400	+ 514	+ 1.4
Fuel expenses	18,840	18,211	(629)	(3.3)
Other operating expenses	253,900	271,634	+ 17,734	+ 7.0
Depreciation	36,108	39,684	+ 3,575	+ 9.9
Elimination	(210,414)	(207,667)	+ 2,747	-
Operating Profit	74,343	50,077	(24,266)	(32.6)

12. Operating Results Forecast for the Fiscal Year Ending March 31, 2020(Breakdown by Business Segment)

(Millions of Yen)	Fiscal year ended March 31, 2019 Actual	Fiscal year ending March 31, 2020 (October 2019 Forecast) A	Fiscal year ending March 31, 2020 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue			
Delivery	1,297,222	1,337,000	1,311,000	(26,000)	(1.9)	+13,777	+1.1
BIZ-Logistics	147,437	152,000	147,000	(5,000)	(3.3)	(437)	(0.3)
Home Convenience	33,404	32,000	28,000	(4,000)	(12.5)	(5,404)	(16.2)
e-Business	26,592	28,000	28,000	0	0.0	+1,407	+5.3
Financial	79,966	81,000	76,000	(5,000)	(6.2)	(3,966)	(5.0)
Autoworks	25,985	27,000	27,000	0	0.0	+1,014	+3.9
Other	14,705	13,000	13,000	0	0.0	(1,705)	(11.6)
Total	1,625,315	1,670,000	1,630,000	(40,000)	(2.4)	+4,684	+0.3
Operating profit							
Delivery	40,787	41,000	22,000	(19,000)	(46.3)	(18,787)	(46.1)
BIZ-Logistics	3,329	5,000	5,000	0	0.0	+1,670	+50.2
Home Convenience	(7,764)	(7,000)	(8,000)	(1,000)	-	(235)	-
e-Business	8,740	11,000	11,000	0	0.0	+2,259	+25.9
Financial	6,244	7,000	6,000	(1,000)	(14.3)	(244)	(3.9)
Autoworks	4,433	5,000	5,000	0	0.0	+566	+12.8
Other	19,372	40,000	39,000	(1,000)	(2.5)	+19,627	+101.3
Subtotal	75,144	102,000	80,000	(22,000)	(21.6)	+4,855	+6.5
Eliminations	(16,798)	(40,000)	(40,000)	0	-	(23,201)	-
Total	58,345	62,000	40,000	(22,000)	(35.5)	(18,345)	(31.4)
Ordinary profit	54,259	59,000	37,000	(22,000)	(37.3)	(17,259)	(31.8)
[Profit margin]	3.3%	3.5%	2.3%	-	-	-	-
Profit attributable to owners of the Parent	25,682	32,000	20,000	(12,000)	(37.5)	(5,682)	(22.1)
[Profit margin]	1.6%	1.9%	1.2%	-	-	-	-
Amount (Thousands of Units)							
TA-Q-BIN/TA-Q-BIN Compact	1,668,280	1,664,000	1,628,000	(36,000)	(2.2)	(40,280)	(2.4)
Nekopos	135,250	184,000	176,000	(8,000)	(4.3)	+40,749	+30.1
Kuroneko DM-Bin	1,211,525	1,060,000	1,060,000	0	0.0	(151,525)	(12.5)
Unit Price (Yen)							
TA-Q-BIN/TA-Q-BIN Compact	702	724	725	+1	+0.1	+23	+3.3
Nekopos	191	200	200	0	0.0	+9	+4.7
Kuroneko DM-Bin	60	63	63	0	0.0	+3	+5.0

1. Operating revenue: ¥1,630.0 billion

(decreased by 40.0 billion compared to the previous forecast)

1) Delivery

Updated the previous forecasts due to lowering delivery amounts of TA-Q-BIN (excl. Nekopos), while unit price of TA-Q-BIN (excl. Nekopos) and Nekopos continue to increase

2) Home Convenience

Started to provide to individual customers with new moving-related services for single people. However, since the resumption of other moving services has not yet been scheduled, updated the previous forecast accordingly.

3) BIZ-Logistics, Financial

Updated the previous forecast in view of the prevailing circumstances

2. Operating profit : ¥40.0 billion

(decreased by 22.0 billion compared to the previous forecast)

Decreased forecasts for operating expenses and operating profit by ¥18.0 billion and ¥22.0 billion respectively in comparison with the previous forecasts, by taking efforts to control costs mainly of personnel expenses and subcontracting expenses by means of optimization workforce allocation according to a workload

3. Ordinary profit: ¥37.0 billion

(decreased by 22.0 billion compared to the previous forecast)

Updated the previous forecast due to a change in the operating profit forecast

4. Profit attributable to owners of the Parent: ¥20.0 billion

(decreased by 12.0 billion compared to the previous forecast)

Updated the previous forecast due to the lower ordinary profit forecast

13. Operating Results Forecast for the Fiscal Year Ending March 31, 2020 (Breakdown of Operating Expenses)

(Millions of Yen)	Fiscal year ended March 31, 2019 Actual	Fiscal year ending March 31, 2020 (October 2019 Forecast) A	Fiscal year ending March 31, 2020 (New Forecast) B	Forecast Change (B-A)		YoY Change	
				Amount	[%]	Amount	[%]
				Operating revenue	1,625,315	1,670,000	1,630,000
Operating expenses	1,566,969	1,608,000	1,590,000	(18,000)	(1.1)	+23,030	+1.5
Personnel expenses	821,715	860,000	855,000	(5,000)	(0.6)	+33,284	+4.1
Employee salary	564,377	591,000	590,000	(1,000)	(0.2)	+25,622	+4.5
Other personnel expenses	257,338	269,000	265,000	(4,000)	(1.5)	+7,661	+3.0
Subcontracting expenses	629,645	612,000	598,000	(14,000)	(2.3)	(31,645)	(5.0)
Commission expenses	256,817	235,000	232,000	(3,000)	(1.3)	(24,817)	(9.7)
Vehicle hiring expenses	201,377	206,000	203,000	(3,000)	(1.5)	+1,622	+0.8
Other subcontracting expenses	171,449	171,000	163,000	(8,000)	(4.7)	(8,449)	(4.9)
Vehicle expenses	46,656	50,000	48,000	(2,000)	(4.0)	+1,343	+2.9
Fuel expenses	23,981	25,000	24,000	(1,000)	(4.0)	+18	+0.1
Other operating expenses	342,602	376,000	369,000	(7,000)	(1.9)	+26,397	+7.7
Depreciation	51,346	55,000	53,000	(2,000)	(3.6)	+1,653	+3.2
Elimination	(273,649)	(290,000)	(280,000)	+10,000	-	(6,350)	-
Operating profits	58,345	62,000	40,000	(22,000)	(35.5)	(18,345)	(31.4)
Total number of employees (Persons)	225,125	232,000	228,500	(3,500)	(1.5)	+3,375	+1.5
Full-time	97,587	100,000	99,500	(500)	(0.5)	+1,913	+2.0
Part-time	127,538	132,000	129,000	(3,000)	(2.3)	+1,462	+1.1
Capital expenditure (Millions of Yen)	83,514	85,000	70,000	(15,000)	(17.6)	(13,514)	(16.2)

1. Operating Expenses: decreased by ¥18.0 billion compared to the previous forecast

1) Personnel expenses: decreased by ¥5.0 billion

Updated the previous forecast in light of a reduction of the number of employees due to the promotion of cost control by optimization of workforce allocation according to a workload

2) Subcontracting expenses: decreased by ¥14.0 billion

a. Commission expenses: decreased by ¥3.0 billion

Updated the previous forecast in light of a cost control by optimization of workforce allocation according to a workload

b. Vehicle hiring expenses: decreased by ¥3.0 billion

Updated the previous forecast due to streamline of trunk transportation

c. Other subcontracting expenses: decreased by ¥8.0 billion

Updated the previous forecast in view of the prevailing circumstances

3). Other operating expenses: decreased by ¥7.0 billion

Updated the previous forecast for depreciation in light of the current situation of capital expenditure. Forecast for other expenses were also updated in view of the prevailing circumstances.

2. Capital Expenditure

Decreased by ¥15.0 billion compared to the previous forecast in light of the current situation of capital expenditure (¥85.0 billion => ¥70.0 billion)

Considering timely and appropriate capital policies for stable dividends and flexible returns to shareholders in light of future growth and profitability, soundness, progress of investment, and capital efficiency

**Share repurchase and
cancellation of the share**
(Up to 50 billion yen)

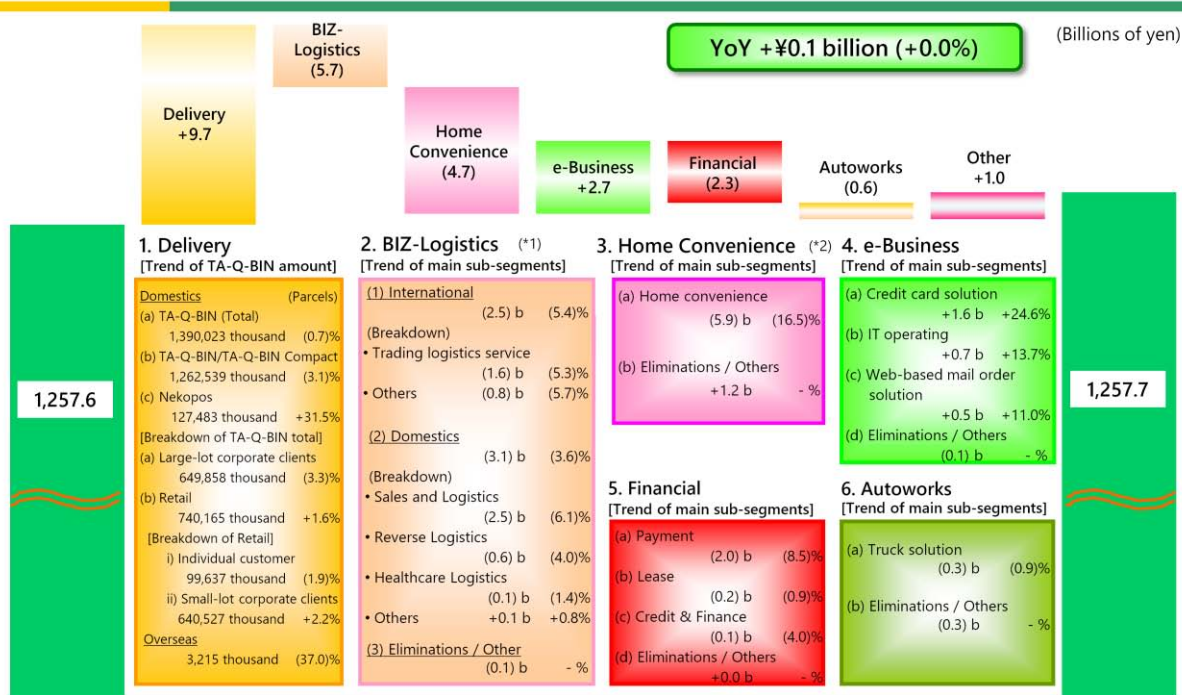
- Implemented as a flexible capital policy from the viewpoint of enhancing shareholder value
- Cancellation of all shares repurchased

**Dividends to
commemorate 100-year
anniversary**
(¥10 per share)

- Commemorative dividend of ¥10 per share for the 100-year anniversary of the Company's founding to express gratitude to shareholders

- In light of capital efficiency and cash flow conditions, while taking into account the soundness of the Company's financial position, the Company will return profits to shareholders by combining the "share repurchase" which was not implemented during the current medium-term management plan, and the "commemorative dividend" at the 100-year anniversary.
- Stable dividends and flexible capital policies will be implemented continuously by considering capital policies in a timely and appropriate manner while paying attention to the balance with investment, based on the policy of focusing more on capital efficiency than ever in order to increase shareholder value.

[Reference] YoY Analysis of Consolidated Operating Revenue (Third Quarter - Cumulative)



Third Quarter
2019/3
Actual

(Note) Some operating results in the fiscal year ended March 31, 2019 have been modified in line with the change in segment classifications of operations as follows (commenced on April 1, 2019):

*1. BIZ-Logistics

- Sales and Logistics as well as e-Logistics solution are presented as Sales & Logistics
- Multi Maintenance, Technical Network, and Setup and Logistics solutions that belonged to Others are presented as Reverse Logistics.
- Medical Logistics and e-On Demand solutions that belonged to others are presented as Healthcare Logistics

*2. Home Convenience

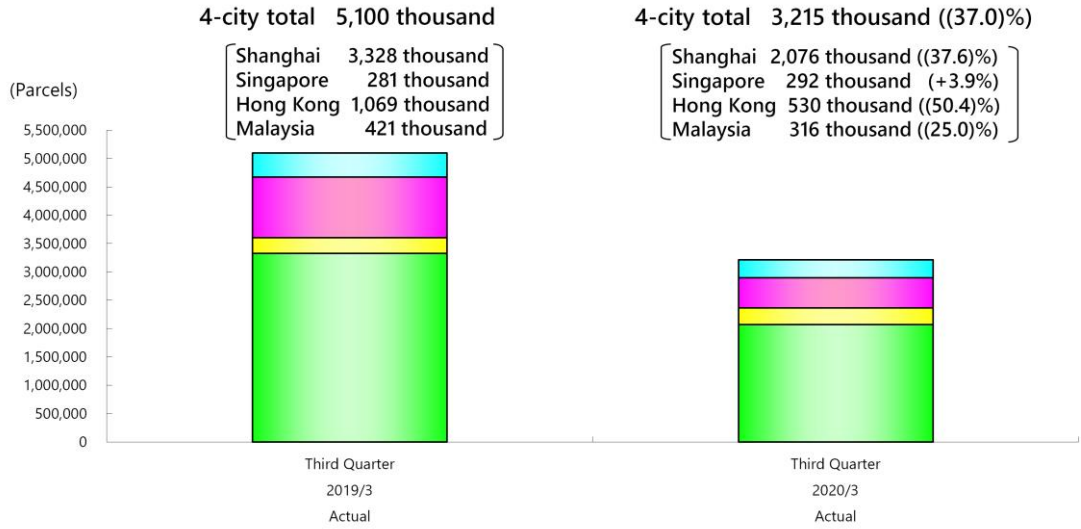
- Home Convenience as presented includes Business Convenience

Third Quarter
2020/3
Actual

[Reference] YoY Trends of TA-Q-BIN Business Overseas (Third Quarter - Cumulative)

Delivery amount at [4 overseas cities (under direct control of Yamato Group)]

Shanghai Singapore Hong Kong Malaysia



Delivery amount at [4 overseas cities + Taiwan]

Third Quarter 2019/3 (Actual)
84,465 thousand

Third Quarter 2020/3 (Actual)
83,024 thousand ((1.7)%)

[Reference] Summary of Operating Expenses in Delivery Business (Third Quarter – October to December)


(Millions of Yen)	Third Quarter 2019/3 Actual	Third Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	383,625
Operating expenses	339,178	337,756	(1,422)	(0.4)
Personnel expenses	187,935	192,066	+4,130	+2.2
Employee salary	127,819	135,743	+7,924	+6.2
Other personnel expenses	60,116	56,322	(3,793)	(6.3)
Subcontracting expenses	104,590	95,863	(8,726)	(8.3)
Commission expenses	43,770	36,149	(7,621)	(17.4)
Vehicle hiring expenses	52,423	51,954	(468)	(0.9)
Other subcontracting expenses	8,395	7,759	(636)	(7.6)
Vehicle expenses	11,503	11,579	+76	+0.7
Fuel expenses	5,333	5,053	(280)	(5.3)
Other operating expenses	66,524	68,574	+2,050	+3.1
Depreciation	9,922	10,608	+685	+6.9
Elimination	(31,375)	(30,328)	+1,047	-
Operating profits	44,446	38,368	(6,078)	(13.7)

(Note) The figures above include operating expenses related to overseas TA-Q-BIN services.

[Reference] Summary of Operating Expenses in Delivery Business (Third Quarter - Cumulative)

(Millions of Yen)	Third Quarter 2019/3 Actual	Third Quarter 2020/3 Actual	YoY Change	
			Amount	[%]
			Operating revenue	1,006,762
Operating expenses	947,334	981,741	+34,407	+3.6
Personnel expenses	539,280	563,088	+23,808	+4.4
Employee salary	367,943	389,421	+21,478	+5.8
Other personnel expenses	171,336	173,666	+2,329	+1.4
Subcontracting expenses	285,072	273,881	(11,190)	(3.9)
Commission expenses	117,113	103,180	(13,932)	(11.9)
Vehicle hiring expenses	144,794	148,621	+3,827	+2.6
Other subcontracting expenses	23,164	22,078	(1,086)	(4.7)
Vehicle expenses	32,651	33,589	+937	+2.9
Fuel expenses	15,651	15,388	(262)	(1.7)
Other operating expenses	181,452	196,032	+14,579	+8.0
Depreciation	25,218	29,028	+3,810	+15.1
Elimination	(91,121)	(84,849)	+6,272	-
Operating profits	59,427	34,806	(24,621)	(41.4)

(Note) The figures above include operating expenses related to overseas TA-Q-BIN services.



These presentation materials (with explanatory notes) and the minutes of the financial results meeting Q&A are posted in PDF format on the Company's website in the Investor Relations section.

Disclaimer:

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